# GOVERNMENT OF INDIA
# STEEL
# LOK SABHA

UNSTARRED QUESTION NO:3016
ANSWERED ON:09.12.2002
ENCOURAGEMENT OF GROWTH AND DEVELOPMENT OF INDIGENOUS STEEL
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**Will the Minister of STEEL be pleased to state:**

(a) the production and demand of steel in the country during the last three years;

(b) whether production of steel is enough to meet its demand in the country;

(c) if not, the quantity of steel imported each year;

(d) whether there has been any gap between demand and supply of steel in the country resulting in slump of steel industry;

(e) if so, the reasons therefor;

(f) whether any proposal is being considered for enacting a legislation called `Buy India Act` on the lines of `Buy American Act` to encourage growth and development of indigenous steel industry; and

(g) if so, the salient features of the proposed Act.?

## Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)
(a) The production and demand of finished steel in the country during the last three years is indicated below:

(Quantity : in million tonnes)

| Year | PRODUCTION | DEMAND |
|---|---|---|
| 1999-2000 | 28.46 | 24.59 |
| 2000-2001 | 30.32 | 26.63 |
| 2001-2002 | 31.62 | 28.92 |

(b)&(c): From the table above, it is evident that production is enough to meet the demand in the country. However, some quantity of high grade steel, which is not produced domestically, is being imported. Other imports are mainly done on price consideration. The figures of imports including imported scrap for the last three years are as follows:

(in 000` tonnes)

| 1999-2000 | 2000-01 | 2001-02 |
|---|---|---|
| 3486 | 3613 | 3689 |

(d)&(e): Yes, there has been a small gap between demand and supply of steel in the country due to low demand vis-a-vis existing capacity, falling steel prices, high production costs, closure of important export markets for Indian Steel due to protectionist measures initiated by a number of importing countries and a general slow down in the Indian economy and recessionary trends in the global steel markets.
(f)&(g): A proposal has been mooted to enact a legislation - `Buy Indian Act` to encourage growth and development of the indigenous steel industry by giving preference to indigenous steel producers in Government procurement on the lines of `Buy American Act`.